

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with generally accepted accounting principles. These principles have been applied on a basis consistent with that of the preceding year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 19, 2000.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to properly safeguard assets of the Authority.

The responsibility of the Provincial Auditor is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management



Gary Gibson
Assistant Director - Capital Finance

June 19, 2000



Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Members of The Manitoba Hospital
Capital Financing Authority

We have audited the balance sheet of The Manitoba Hospital Capital Financing Authority as at March 31, 2000 and the statement of income and expenditure for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and the changes in its cash flows for the year then ended in accordance with the generally accepted accounting principles.

Winnipeg, Manitoba
June 19, 2000

Greg R. MacBeth, CA
for the Provincial Auditor

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Balance Sheet as at March 31, 2000

ASSETS		2000	1999
Current assets			
Accrued interest		\$ 9,256	\$ 11,321
Current portion of investments		42,000	42,000
		51,256	53,321
Investments, at cost, Schedule 1		139,000	181,000
		\$ 190,256	\$ 234,321
LIABILITIES			
Current liabilities			
Accrued debenture interest		\$ 9,256	\$ 11,321
Current portion of debentures payable, (Note 3)		42,000	42,000
		51,256	53,321
Debentures payable, Schedule 2		139,000	181,000
		\$ 190,256	\$ 234,321

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Statement of Income and Expenditure
for the year ended March 31, 2000

	2000	1999
Income:		
Interest earned on investments	\$ 28,319	\$ 41,625
Expenditure:		
Debenture interest	28,319	41,625
	\$ 0	\$ 0

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Schedule of Investments as at March 31, 2000

	Interest Rate (%)	2000	1999
Serial debentures issued by:			
Selkirk Linen Services Inc.	13.625	\$ 181,000	\$ 223,000
Total Investments		181,000	223,000
Less: Current portion (Note 3)		42,000	42,000
Investments		\$ 139,000	\$ 181,000

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Schedule of Debentures Payable as at March 31, 2000

Series Number	Interest Rate (%)	Year of Maturity	2000	1999
5A	13.625	Nov. 15, 2000-2004	\$ 181,000	\$ 223,000
Total debentures payable			181,000	223,000
Less: Current portion (Note 3)			42,000	42,000
Debentures payable			\$ 139,000	\$ 181,000

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Notes to Financial Statements March 31, 2000

1. Nature of the Authority

The Manitoba Hospital Capital Financing Authority was established by The Hospital Capital Financing Authority Act in June 1972. The objectives of the Authority are:

- i) to approve the issuance of securities for capital expenditure by operators of health care facilities,
- ii) to assist such operators by ensuring an orderly market for the sale of securities issued by health care facilities, and
- iii) to purchase securities issued by health care facilities with money borrowed by the Authority where the health care facilities could not trade their securities on the open market.

Health care facilities include hospitals, non-profit personal care homes and other designated related service institutions.

2. Accounting Policy

These financial statements have been prepared in accordance with generally accepted accounting principles.

3. Investment and Debentures Payable

The Authority's investments in various health facility debentures are entirely offset by debentures issued by the Authority to Government Agencies.

Principal payments on debentures payable for the next five fiscal years are as follows:

2001	\$ 42,000
2002	\$ 42,000
2003	\$ 42,000
2004	\$ 42,000
2005	\$ 13,000

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Notes to Financial Statements
March 31, 2000

4. Financing Approvals

No approvals were granted by the Authority in 1999-00 for the issuance of securities by health care facilities.

5. Services Provided by the Province

The Province of Manitoba provides administrative services at no charge to the Authority.

6. Statement of Cash Flows

These financial statements do not include a Statement of Cash Flows. In the opinion of management, the Statement of Cash Flows does not provide additional disclosure.